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PROJECT NO. 51840

**RULEMAKING TO ESTABLISH
ELECTRIC WEATHERIZATION
STANDARDS**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

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**STEERING COMMITTEE OF CITIES SERVED BY ONCOR'S COMMENTS
REGARDING PROJECT NO. 51840, RULEMAKING ESTABLISHING ELECTRIC
WEATHERIZATION STANDARDS**

The Steering Committee of Cities Served by Oncor (OCSC) submits these Comments to the Public Utility Commission of Texas (Commission) regarding Project No. 51840, *Rulemaking Establishing Electric Weatherization Standards*. On June 9, 2021, the Commission requested comments to evaluate the weather emergency conditions the Commission should require 1) a provider of electric generation service in the Electric Reliability Council of Texas (ERCOT) power region, and 2) an electric cooperative, municipally owned utility, or transmission and distribution utility providing transmission service in the ERCOT power region, to be able to operate its facilities under to fulfill the requirements of Texas Utilities Code §§ 35.0021(b) and 38.075(a). The Commission requested comments from interested parties be filed by June 23, 2021. Therefore, these Comments are timely filed.

I. COMMENTS

OCSC's interest in the matters at issue in this Project arise from its dual role as both electric consumers in their own right, procuring power in the deregulated retail market for crucial public functions such as fire, police, and water service, and as advocates on behalf of the retail customers who reside or do business within their corporate limits. Winter Storm Uri represented one of the most significant challenges to the ERCOT market since the market opened, and put tremendous strain on the ability of municipalities and other political subdivisions to provide for public health, safety, and welfare. Cities provide essential first-responder services and critical public services that were hampered, and even incapacitated, by the power outages resulting from Winter Storm Uri. As a result, OCSC's concerns and experiences during Winter Storm Uri prompt its support for the establishment of weatherization standards. OCSC believes minimum operational standards for both generation providers and transmission facilities are appropriate after Winter Storm Uri, and OCSC looks forward to the development of those standards.

OCSC supports formalization of the operational standards for providers of electric generation service in Texas. That ERCOT and the Commission would require system-wide standards be met in order to operate in the market is not a new concept—generators must already comply with requirements in ERCOT’s Nodal Protocols (NPs) relating to Power System Stabilizers (PSS), Phase Measurement Units (PMUs), Reactive Power, and many more. Generators already must follow certain technical rules for operating their units, and technical rules for weatherization should be no different. OCSC advocates that certain basic principles be adopted in the development of the weatherization standards. Any weatherization standards adopted by the Commission should be adequate, efficient, and effective, but not excessively onerous. Overly prescriptive and costly standards could lead to unintended consequences if the standards lead marginal generation units to retire rather than invest in weatherization.

OCSC believes there should be appropriate standards in place for all types of generation resources—conventional, nuclear, and renewable—and that all resource types should be held to the industry standards developed in this rulemaking. Weatherization standards for transmission infrastructure operated by electric cooperatives, municipally owned utilities, and transmission and distribution utilities should be calibrated to ensure generation adequacy during weather emergency conditions is not limited by transmission performance.

Further, OCSC would encourage the Commission to collaborate with the Railroad Commission of Texas to address the interdependence between natural gas supply and electric power generation. Senate Bill 3 calls for the Railroad Commission to develop weatherization plans for critical elements of the natural gas supply chain to prepare to operate during a weather emergency. Creating adequate weatherization standards for electric generation service providers will not assure generation reliability in weather emergency conditions without the supply of natural gas to those generating facilities. The Commission should closely coordinate with the Railroad Commission of Texas in the development of the rulemakings addressing weatherization standards for the natural gas and electric industries.

OCSC acknowledges that there are currently no compliance deadlines for the weatherization requirements found in Senate Bill 3. OCSC would advocate for different milestones for different levels of weatherization. OCSC realizes some weatherization requirements could take longer to implement than others and may not be feasibly completed this year, but timing is of the utmost concern to cities across the state. It is important to have some

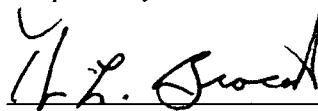
level of weatherization standard be implemented and enforced this winter, even if it is not the full extent of the new standards required by the Commission. Lastly, to be effective, the Commission and ERCOT will have to ensure that the new weatherization standards receive adequate inspections and enforcement. While Senate Bill 3 requires that ERCOT inspect generation assets for compliance, OCSC recommends that the Commission and ERCOT consider retaining a third-party with specific expertise in generation preparations rather than attempting to develop a new function within the ERCOT organization. ERCOT's greatest focus should remain on the operation and security of the transmission network.

OCSC would also highlight several points, on a broader scale, that the Commission should keep in mind as it develops rules implementing the new legislative agenda. First, one purpose of the competitive market is to shift financial risks from ratepayers to market participants. The Commission should therefore refrain from enacting rules that shift financial risks back to customers. In addition to cost containment, grid reliability and the maintenance of critical customer services are of top priority to OCSC.

As stated above, OCSC, as both electric consumers and as advocates on behalf of retail customers who reside or do business within the corporate limits of cities across the state, is interested in ensuring resource reliability during all weather emergency conditions through the creation of weatherization standards adopted by the Commission. OCSC looks forward to the development of the reliability standards and in assisting in the rulemaking process in any way it can. OCSC appreciates the opportunity to submit these Comments to the Commission.

Dated: June 23, 2021

Respectfully submitted,

A handwritten signature in black ink, appearing to read "L. GosseLink", written over a horizontal line.

LLOYD GOSSELINK
ROCHELLE & TOWNSEND, P.C.
816 Congress Avenue, Suite 1900
Austin, Texas 78701
(512) 322-5800

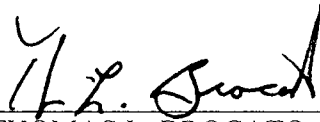
THOMAS L. BROCATO
tbrocato@lglawfirm.com
State Bar No. 03039030

TAYLOR P. DENISON
tdenison@lglawfirm.com
State Bar No. 24116344

ATTORNEYS FOR STEERING COMMITTEE OF
CITIES SERVED BY ONCOR

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on June 23, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.



THOMAS L. BROCATO